

FINAL MINUTES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

NIB/NAEPB Annual Training Conference
Westin – Michigan Avenue
Chicago, IL

Thursday, November 15, 2007
12:30 pm – 2:00 pm

Mr. Andrew Houghton, Committee Chairperson, called the meeting to order at 12:40 pm. In accordance with Committee practice, he asked the Committee members to introduce themselves.

I. Award Presentations

Mr. Andrew Houghton, recognized Mr. Ollie Cantos for his special efforts made on behalf of the AbilityOne Program. Mr. Cantos currently serves as Special Counsel to the Assistant Attorney General, Civil Rights Division, U.S. Department of Justice. He recently returned to this position after serving as the White House Domestic Policy Council Associate Director on Disability.

While serving in his position at the White House, Mr. Cantos ensured that the accomplishments of Ability One participating agency employees were recognized in the President's 2007 New Freedom Initiative Progress Report. Mr. Houghton said that until Mr. Cantos took the initiative to recognize the achievements of programs administered by smaller federal agencies like the Committee for Purchase, the significant impact of the AbilityOne Program had not been highlighted for the widespread audience that reads this report. Mr. Houghton presented Mr. Cantos with a special numbered gold coin and presentation box.

Mr. Houghton also acknowledged Cindy Maltby as the 2007 Dick Alley Award winner, and two recipients of the Outstanding Contributions Award -- Nancy Holdaway and Sean Murphy.

II. Consideration of Minutes – September 13, 2007

Mr. Houghton asked Ms. Angela Phifer, Committee Executive Assistant, if there were any changes to the September 13, 2007 minutes. She said there were none. Mr. James Omvig, Committee Vice Chairperson, made a motion that the minutes be accepted. His motion received a second from Ms. Kathleen James, Department of the Air Force. The minutes were adopted by unanimous vote.

III. Presentation – The Chicago Lighthouse

Mr. Jim Kesteloot gave a presentation on the Chicago Lighthouse. First, he gave the history of how the Lighthouse started in 1906. It was established to give people who are blind the chance to become self-sufficient and earn wages. Currently, the Lighthouse has 186 competitive job placements. The Lighthouse has 25 different programs, a school for the blind, a Braille library, and a radio station.

The Lighthouse has also established a Low Vision Rehabilitation Service (LVRS) clinic. The LVRS is the first of its kind in the Midwest, and brings the most advanced devices and professional services to its patients at the Lighthouse.

The Chicago Lighthouse is well known for the manufacturing of clocks. As the Lighthouse celebrates its 100th anniversary, it has produced over three million clocks. In addition, more day planners and dry-erase calendars are being produced.

Mr. Kesteloot also spoke about the services the Lighthouse offers. They provide janitorial and clerical services to the Chaplain's office at Great Lakes and the General Services Administration.

Through the Randolph-Sheppard Act, the Lighthouse runs a store at Midway Airport and provides vending machines. A proposal for O'Hare Airport may be in the works.

Mr. Houghton thanked Mr. Kesteloot for his presentation and said he and the other members look forward to the Lighthouse tour.

IV. Legislative Agenda

Chairperson Houghton gave a report on the Committee's legislative agenda. He said the Annual Report has gone over to the Office of Management and Budget (OMB), and Congress. The next step will be to compile comments and implement recommendations from the CNAs by December. The agenda will be discussed further at the January meeting.

V. Litigation Update

Mr. Dennis Lockard, Committee Counsel, reported on the Committee's current litigation. He said that in addition to the three lawsuits that were discussed in September, another suit was filed in October naming the Committee as a defendant.

The first lawsuit is with Nutech Laundry and Textiles, Inc., over laundry services at the Bethesda Naval Hospital. As previously reported, the case has been dismissed, but the motion for the collection of attorney fees is still pending a final ruling by the Court.

The second lawsuit involves ARC Diversified regarding its bankruptcy and a pricing determination by the Committee on one of its products, export vegetable oil. The

Committee completed its pricing impasse decision in October and the attorney for ARC then filed an amended complaint in the matter. The case continues in Bankruptcy Court and a hearing is scheduled in mid-January.

The third lawsuit involves Platte River Industries (PRI) over a pricing impasse decision for janitorial services at a federal building in Denver, Colorado. There was no action on the case since the September Committee meeting.

The latest lawsuit was filed in October by Positive Access, Inc., in Bankruptcy Court in Las Vegas, Nevada. The issues in the case revolve around an AbilityOne contract Positive Access had for janitorial and shelf-stocking services at the Nellis Air Force Base commissary. Due to problems with the contract, the services were transferred to another nonprofit agency. Positive Access filed for bankruptcy and the trustee has initiated action against the Committee, Defense Commissary Agency, and NISH seeking damages from loss of revenues. A hearing is likely to be scheduled some time in December.

Mr. Houghton asked about the ARC current price. Mr. Lockard responded that the Committee established a price through the impasse action at 10 percent above the range of commercial bids. However, since the amended complaint was filed, the Court has extended the Agreed Order that established the price at 18¾ percent above the range of commercial bids. That price will remain at least until a hearing in mid-January 2008.

VI. Accountability Rulemaking Update

Dr. Ed Anthony, Chair of the Governance subcommittee, gave an update on the accountability rulemaking. Dr. Anthony indicated that the committee staff is working on finalizing the proposed rule and expects to have a completed document soon.

In addition, Dr. Anthony said the members of the subcommittee have also begun work on possible revisions to the current compliance program and the issues identified in the recent GAO Report. A compliance model is being developed by staff and the subcommittee will give further input and make their recommendations. The next goal is to have a final review and to have the members vote on the compliance concept paper, possibly at the December subcommittee meeting.

Mr. James Omvig, Vice Chairperson, stated that the accountability rulemaking started a couple of years ago because there was some concern among the disability community with workers earning below minimum wage. He also discussed the negative newspaper articles and the public hearings that took place in 2006. He asked Dr. Anthony the status of the comments. Dr. Anthony responded that proposed rule should address the comments.

Mr. Houghton said that the Committee is responding to additional comments from OMB. He said that overall, he believes, the original rulemaking has been improved. The previously proposed rule was withdrawn and the entire process began again. Mr. Omvig

recommended that the Committee proceed. Mr. Osborne Day, Private Citizen, agreed with Mr. Ovmig that the issue was too important not to go forward.

VII. Subcommittee Reports

Planning and Evaluation (P&E)

Mr. James Ovmig, Chair of the P&E subcommittee, reported that the subcommittee completed the compliance manual which gives extensive guidance on defining what severely disabled and competitively employable mean for the Committee staff's oversight and review. Mr. Lou Bartalot, Committee staff, said he had received only positive comments regarding the manual.

Next, Mr. Ovmig said the subcommittee is reviewing the issue of the overall direct labor ratio vs. the AbilityOne ratio. He gave the new members some background information on the 75 percent ratio and how the subcommittee was exploring changing the minimum back to the 60 percent AbilityOne ratio.

Mr. Robert Hartt, Committee staff, gave an update on the Disability Outreach Forums. He said a survey was sent out to participants to determine what their perception of the AbilityOne Program is following the forums. The next step will be to prioritize the recommendations and several conference calls will be held. Mr. Hartt will give a progress report at the next meeting.

Mr. Robert Chamberlin, President/CEO, commented that NISH is against changing the 60 percent to 75 percent because it would be a tremendous increase. He said that this is a very important issue and a change would reflect a lack of flexibility and potentially cause lost opportunities. Mr. Jim Gibbon, President/CEO, commented that NIB was glad that the subcommittee would be reviewing this issue.

Finance

Mr. Andrew Houghton gave an update in the absence of the Chair of the Finance subcommittee. He said the subcommittee agreed upon a revised budget schedule. Both Steve Brice, NIB and Elizabeth Goodman, NISH attended the meeting and will cooperate with an expedited process established for FY '09. The Committee will give the CNAs their budget guidance and there will be a proposed timeline with hard dates and deliverables.

Mr. Houghton said the next meeting is scheduled for December 13 and there will be a discussion surrounding the issues associated with the Committee's pricing memoranda, PR-2 and PR-3.

Mr. Gibbons said that he appreciated the fact that the Committee is looking into the collective comments made by NIB/NAEPB, NISH/NCWC, regarding the pricing memos and expressed the importance of working together.

Mr. Patrick Rowe, Acting Executive Director, commented that Mr. Poleo will make PR-2 and PR-3 the number one agenda item on December 13. Mr. Omvig asked if the Committee had written a response to the CNAs concerns.

Mr. Gibbons thanked the Committee for taking the concerns of the field seriously and Mr. Houghton said the issue was well reflected in the September minutes.

Business Development

Mr. Felipe Mendoza, Chair of the Business Development Subcommittee, said the subcommittee met on October 11, 2007. The subcommittee discussed small business community outreach with Mr. Mike Gerich from the Office of Federal Procurement Policy (OFPP) within the Office of Management and budget. The discussion focused on Program growth within the current Federal acquisition environment which is characterized by reduced budgets and heightened emphasis on achieving small business goals and the potential of an increased goal in that area. Mr. Gerich emphasized that the Program should continue to take a flexible approach to doing business and to work with individual agencies and explore pilot programs such as the GSA Strategic Alliance and the USDA goal.

Next, Mr. Mendoza said that NISH, NIB, and the Committee staff are exploring a matchmaking concept as a method of developing additional partnerships between small business and the AbilityOne program.

Mr. Eric Beale, Committee staff, gave the subcommittee a briefing on the distribution of AbilityOne products through AbilityOne authorized commercial distributors and the Base Supply Store channel. Mr. Beale reported that overall sales of AbilityOne products in these channels continue to grow. He also said compliance is monitored through review of quarterly sales reports, reports from Federal customers, review of e-commerce sites and ensuring the Federal BPAs are AbilityOne compliant.

Finally, Mr. Mendoza gave the communications update and said the AbilityOne brand book is being printed and the Strategic Communications Plan is being updated. The next scheduled meeting is December 13, 2007. Mr. Houghton commended Mr. Mendoza and James House, U.S. Department of Agriculture, for their efforts.

VII. CNA Reports

Mr. Robert Chamberlin, President/CEO, NISH commended Mr. Gibbons and the NIB staff on a wonderful conference. He said that he is learning a lot and will be taking notes to use for the next NISH Conference. Mr. Chamberlin reminded everyone that the next NISH Conference will be held April 14-16, 2008 at the Westin Bonaventure in Los Angeles, California. Mr. Mendoza said he would get together with Mr. Chamberlin to promote the GSA Expo.

Mr. Chamberlin commended Mr. Mendoza and others on their advocacy roles to establish goals for small business. On November 7th there was proposed legislation for small business goals to increase from 23 percent to 30 percent. Mr. Chamberlin said this is a major item and will have significant consequences. He said that the Committee should be aware of the potential impact. Mr. Mendoza said that the OSBU directors in government agencies are very aware of this issue.

Mr. Chamberlin reported that the preliminary results for 2007 show a dramatic reduction in jobs, director labor and sales. He said military unique products suffered a tremendous drop of 30 percent. Many services projects have also been reduced, for similar reasons. Mr. Chamberlin read a statement from the CRPs about the impact of the reduction.

Mr. Houghton asked about the alliance to support volunteer goals. Mr. Chamberlin responded that NISH is trying to make adjustments to work together. Mr. Houghton said over the last couple of years, there has been a slow down. He said as budgets tighten, there needs to be more collaborative efforts.

Mr. Jim Gibbons, President/CEO, National Industries for the Blind (NIB), said a lot of the Business Development work has been cut back this year. Mr. Gibbons welcomed everyone to the conference and invited them to tour the Chicago Lighthouse and to attend the Awards Banquet.

VIII. Acting Executive Director's Comments/New Business

Mr. Patrick Rowe, Acting Executive Director, reported on the National Disability Employment Awareness Month (NDEAM) events and the article that appeared in The Washington Post. He said that the program was receiving more positive publicity, in part through some NISH-sponsored public relations efforts.

Next, Mr. Rowe gave the status of the Executive Director vacancy. He said that a "best qualified list" was developed and approved by the Executive Review Board (ERB) for referral to the Chairperson as the Selecting Official. Interviews will be scheduled with those identified as "best qualified" and referred for selection.

Mr. Houghton thanked the nine Committee members that were able to attend the conference and commended Mr. Gibbons, Lauren White, and Steve Patterson for the opportunity to meet as a Committee during this event. Mr. Houghton talked about the new direction of the Program with a full Committee, a new General Counsel and the forthcoming selection of a new Executive Director.

Mr. Kelly asked if the ERB was on track with the selection timeframe of the new Executive Director. Mr. Houghton said he just received the best qualified list and he hopes that interviews will be scheduled the first week of December. He said if those interviews are scheduled, it would only put the progress one week behind the timeline.

After determining there was no further business, the meeting was adjourned at 2:00 pm.

List of Attendees – September 13, 2007

Committee Members

Ed Anthony	Department of Education
James House	Department of Agriculture (via telephone)
Andrew Houghton	Private Citizen
Kathleen James	Department of the Air Force
Robert Kelly	Private Citizen
Paul Laird	Department of Justice/UNICOR
Patrick Leahy	Department of Commerce (via telephone)
Felipe Mendoza	General Services Administration
James Omvig	Private Citizen
Edward Walters	Department of the Army

Committee Staff

Lou Bartalot
Eric Beale
Patricia Briscoe
Emily Covey
Robert Hartt
Amy Jensen
Michael Jurkowski
Stephanie Lesko
Dennis Lockard
Angela Phifer
Patrick Rowe
Joan Smith
LaWanda York
Kimberly Zeich

NISH

Robert Chamberlin
Dennis Fields
Martin Williams

NIB

Steve Brice
James Gibbons
Angela Hartley
Kevin Lynch
Arun Shimpi

List of Attendees – November 15, 2007 (Continued)

Government Representatives/Staffers

Ollie Cantos	Department of Justice
Aaron Collmann	General Services Administration
Mark Opilla	Department of the Navy

Others

Barbara Barnard	ORC Industries
Ellen Brown	Goodwill
Adele Gasparro	ORC Industries
Jim Kesteloot	Chicago Lighthouse
Sharon Omgvig	Private Citizen
Stephen Patterson	SABVI/NAEPB